

State of Arizona
Senate
Forty-seventh Legislature
Second Regular Session
2006

SENATE BILL 1554

AN ACT

AMENDING SECTION 37-291, ARIZONA REVISED STATUTES; RELATING TO STATE TRUST LAND LEASES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 37-291, Arizona Revised Statutes, is amended to
3 read:

4 37-291. Preferred right to renewal of lease: exceptions;
5 notification

6 A. Upon application to the state land department not less than thirty
7 days nor more than one year before the expiration of a lease of state lands,
8 the lessee, if he is a bona fide resident of the state or legally authorized
9 to transact business in this state, shall have a preferred right to renewal,
10 bearing even date with the expiration of the old lease, for a term not longer
11 than ten years, as determined by the department, at a reappraised rental.

12 B. The preferred right of renewal shall not extend to a lessee who has
13 not substantially complied with the terms of ~~his~~ THE lease or who has not
14 placed the land to the use prescribed in the lease during its term or within
15 the time prescribed, unless for good cause the failure to perform was given
16 written authorization by the department. If the department determines the
17 continued leasing of the land is not in the best interest of the state trust,
18 the lease shall not be renewed.

19 C. Not later than ninety days before the expiration of a lease TERM,
20 the department shall:

21 1. Notify the lessee by mail of the pending expiration, ~~enclosing an~~
22 ~~application to renew the lease.~~ IF THE COMMISSIONER FINDS THAT THE LESSEE
23 HAS FAILED TO SUBSTANTIALLY COMPLY WITH THE TERMS OF THE LEASE, THE
24 COMMISSIONER SHALL ALSO INCLUDE A NOTICE OF THAT FINDING AND THAT THE LEASE
25 WILL EXPIRE UNLESS THE LESSEE APPLIES FOR RENEWAL AND CORRECTS THE
26 DEFICIENCY.

27 2. Send a copy of the notice to any parties who have registered with
28 the department as mortgagees or other lienholders of the lessee's interest by
29 certified mail, return receipt requested.